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United States  
Department of  
Agriculture

Office of the  
Secretary

Office of the  
Chief Financial  
Officer

# Secretary's Management Report to Congress

October 1, 1996 - March 31, 1997

Volume 16

Management Actions

Taken on Audit Recommendations

P.L. 100-504



*U.S. Department of Agriculture*

SECRETARY'S MANAGEMENT  
REPORT  
TO CONGRESS

OCTOBER 1, 1996 - MARCH 31, 1997

Volume 16  
Management Actions  
Taken on Audit Recommendations  
P.L. 100-504



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## AGENCY ABBREVIATIONS

AMS	Agricultural Marketing Service
ARS	Agricultural Research Service
APHIS	Animal and Plant Health Inspection Service
CCC	Commodity Credit Corporation
CNPP	Center for Nutrition, Policy and Promotion
CSREES	Cooperative State Research, Education, and Extension Service
FAS	Foreign Agricultural Service
FCS	Food and Consumer Service
FS	Forest Service
FSA	Farm Service Agency
FSIS	Food Safety and Inspection Service
NFC	National Finance Center
NRCS	Natural Resources Conservation Service
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OGC	Office of the General Counsel
OIG	Office of Inspector General
OO	Office of Operations
PACC	Policy Analysis and Coordination Center
RBS	Rural Business - Cooperative Service
RHS	Rural Housing Service
RMA	Risk Management Agency
RUS	Rural Utilities Service



## DEFINITIONS

**Questioned Cost.** A cost OIG questions because of:

- an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;
- a finding that, at the time of the audit, the cost is not supported by adequate documentation; or
- a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

**Disallowed Cost.** A questioned cost that management sustains or agrees is not chargeable to the government.

**Funds To Be Put To Better Use.** A recommendation by OIG that funds could be used more efficiently if management took actions to implement and complete the recommendation, including:

- reductions in outlays;
- deobligation of funds from programs or operations;
- withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds;
- costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor, or grantee;
- avoidance of unnecessary expenditures noted in preaward reviews of contract or grant agreements; or
- any other savings which are specifically identified.

**Management Decision.** Management's evaluation of the audit findings and recommendations and the issuance of a final decision by management concerning its response to the findings and recommendations, including necessary actions.

**Final Action.** Final action means:

- the completion of all actions that management has concluded are necessary in its management decision with respect to the findings and recommendations included in an audit report; and
- in the event that management concludes no action is necessary, final action occurs when a management decision is made.

## EXECUTIVE SUMMARY

### Background

The Secretary's Management Report to Congress is required by the Inspector General Act Amendments of 1988. The Amendments require that the Secretary report on the status of management decisions and final actions taken on audit recommendations. This is the 16th report issued by the Department of Agriculture (USDA) and covers the 6-month period October 1, 1996, through March 31, 1997. The report reflects management's implementation of audit recommendations contained in audit reports issued by the USDA Office of Inspector General (OIG) and explains why action on audits remains incomplete 1 year from the management decisions. It complements the OIG Semiannual Report to Congress which includes data on audit reports issued and the status of management decisions made during this 6-month period.

### Universe of Audits

Over the past 6 months, the Office of the Chief Financial Officer (OCFO) monitored and analyzed 499 audits with 3,753 recommendations. These audits contained approximately \$153,929,932 in costs that management determined should not be charged to USDA's programs (disallowed) and approximately \$1,489,646,680 in funds which management agreed could be used more efficiently (funds to be put to better use), as well as a number of non-monetary recommendations.

### Final Actions

Management completed action on 129 audits. Of these audits, 69 had disallowed costs, 18 had funds to be put to better use, and 111 had non-monetary elements. Some of the 129 audits included elements from all three of these categories.

Disallowed Costs - Management completed action on 140 recommendations which contained costs that should not be charged to USDA programs. As a result, \$26,217,010 was recovered in disallowed costs and \$1,988,282 was written off in funds that management determined to be uncollectible due to bankruptcies, excessive cost of collections, legal decisions, or terminations in program participation.

Funds To Be Put To Better Use - Management completed action on 25 recommendations with \$121,555,772 in funds they determined could be used more efficiently and determined that \$1,009,113 could not be used more efficiently.

Non-Monetary - Management completed action on 565 recommendations which were administrative in nature.

#### Audits Without Final Action

As of March 31, 1997, 370 audits containing approximately 3,023 recommendations are without final action. These audits contain \$124,888,227 in disallowed costs and \$1,367,081,795 in funds which management agreed could be put to better use.

Of the 370 audits, 180 do not have final action on the entire audit one year from the management decision. Explanations for these audits are contained in Appendix 1 to this report. Many of the management decisions to effect corrective action on these audits involve development of long-term automated system changes, regulations, and directives; legal implications; actions by non-USDA agencies; and time-consuming collection processes. Of the 180 audits, management has completed action on 953 recommendations containing approximately \$67,659,345 in disallowed costs and approximately \$703,486,583 in funds to be put to better use. 179 are within the one year period after management decision and, therefore, are not included in Appendix 1.

Of the 370 audits without final action, 11 audits containing 85 recommendations are either under appeal or require legislative solution to effect final action. These audits involve \$5,326,870 in disallowed costs and \$4,076,708 in funds that could be put to better use. Although the appeal and legislative processes preclude final action on these audits in their entirety, management completed action on three recommendations containing \$12,908 in disallowed costs. Management also completed action on 18 non-monetary recommendations.

**FINAL ACTION ON OIG AUDIT REPORTS  
WITH DISALLOWED COSTS FOR THE 6-MONTH PERIOD  
October 1, 1996 - March 31, 1997**

The chart on the following page depicts the overall status of audits with disallowed costs for this reporting period. As of October 1, 1996, final action was in process but not complete on 196 audits with \$146,813,789 in disallowed costs. Management decisions were made during the period on 54 audits with \$7,116,143 in disallowed costs. Management implemented final action on 69 audits, recovering \$26,217,010 in costs that should not be charged to USDA programs and writing off \$1,988,282 in uncollectible debts due to bankruptcies, excessive cost of collections, legal determinations, or terminations in program participation.

**Final Action on OIG Audit Reports  
With Disallowed Costs  
October 1, 1996 - March 31, 1997**

	Disallowed Costs	
	Number of Audit Reports	Dollars
A. Management decisions with no final action as of October 1, 1996	196	146,813,789
B. Management decisions made during the period	54	7,116,143
C. Total management decisions (A + B)	250	153,929,932
D. Final action on audit reports	69	29,041,705
1. Recoveries		
(a) Collections		1,321,690
(b) Other		24,895,320
(c) Property in lieu of cash		
2. Writeoffs		1,988,282
3. Subtotal (1 + 2)		28,205,292 <sup>1</sup>
E. Audit reports needing final action as of March 31, 1997	181	124,888,227

<sup>1</sup>This amount reflects a difference of \$136,719 for costs collected above the agreed amounts, and redeterminations of \$973,132 due to modified agreed amounts (\$28,205,292 + \$973,132 - \$136,729 = \$29,041,705).

**FINAL ACTION ON OIG AUDIT REPORTS**  
**WITH FUNDS TO BE PUT TO BETTER USE FOR THE 6-MONTH PERIOD**  
**October 1, 1996 - March 31, 1997**

The chart on the following page depicts the overall status of audits with funds to be put to better use for this reporting period. As of October 1, 1996, final action was in process but not complete on 62 audits with \$1,240,407,377 in funds recommended to be put to better use. Management decisions were made during the period on 15 audits with \$249,239,303 in funds to be put to better use. Management completed final action on 18 audits of which \$121,555,772 in funds to be put to better use were implemented and \$1,009,113 were not implemented.

**Final Action on OIG Audit Reports  
With Funds To Be Put To Better Use  
October 1, 1996 - March 31, 1997**

	Funds To Be Put To Better Use	
	Number of Audit Reports	Dollars
A. Management decisions with no final action as of October 1, 1996	62 <sup>1</sup>	1,240,407,377
B. Management decisions made during the period	15	249,239,303
C. Total management decisions (A + B)	77	1,489,646,680
D. Final action on audit reports	18	122,564,885
1. Value of recommendations implemented		121,555,772
2. Value of recommendations not implemented		1,009,113
3. Subtotal (1 + 2)		122,564,885
E. Audit reports needing final action as of March 31, 1997	59	1,367,081,795

<sup>1</sup>This reflects a decrease of 1 audit that should not have been included in the prior Secretary's Management Report.



## **AUDITS UNDER APPEAL OR LEGISLATIVE SOLUTION**

October 1, 1996 - March 31, 1997

The table on the following page reflects 11 audits either under appeal or for which a legislative solution is necessary to effect final action. These audits contain 85 recommendations involving \$5,326,870 in disallowed costs and \$4,076,708 in funds to be put to better use. Although the appeal and legislative processes preclude final action on these audits in their entirety, management took action on three recommendations containing over \$12,908 in disallowed costs. Management also completed action on 18 non-monetary recommendations.



# AUDITS UNDER APPEAL OR LEGISLATIVE SOLUTION OCTOBER 1, 1996 - MARCH 31, 1997

Agency	Administrative Appeal	Judicial Appeal	Legislative Solution	Disallowed* Costs (Dollars)	Funds To Be Put To Better Use (Dollars)
FSA	2	0	0	1,766,723	56,597
RMA	3	0	0	258,461	0
FCS	2	1	0	3,176,245	0
FS	0	1	1	0	4,020,111
NRCS	1	0	0	125,441	0
<b>TOTAL</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>5,326,870</b>	<b>4,076,708</b>

\*Of this amount, action is complete on \$12,908.

**APPENDIX 1**  
**AGENCY AUDITS WITHOUT FINAL ACTION 1 YEAR**  
**FROM THE MANAGEMENT DECISION DATE**

Agencies did not complete corrective action within one year on 180 audits. The 123 audits indicated with an asterisk (\*) were in the report for the period April 1, 1996 - September 30, 1996. Some audits contain multiple recommendations affecting the completion of final action. These include complex automated system changes, collection activities, development and implementation of regulations or directives, legal implications, investigations, actions to be taken by organizations other than USDA, and other time-consuming corrective actions to implement the management decisions. The 180 audits contain 1,648 recommendations. During this 6 month time period, agencies completed action on 953 recommendations containing \$68,124,059 in disallowed costs and \$463,481,153 in funds to be put to better use. Some audits (numbers beginning with 50) are multi-agency and may be listed more than once in this appendix. Information included is specific to the agency under which it is listed.

# AGRICULTURAL MARKETING SERVICE



**AGENCY AUDITS WITHOUT FINAL ACTION  
1 YEAR FROM THE MANAGEMENT DECISION DATE  
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>AGRICULTURAL MARKETING SERVICE</b>				
Financial Review at Federal Inspection Offices #01061-12-AT*	4/20/92	0	251,573 (251,573)	The audit has three recommendations of which one is complete. The amount of time required to develop the automated system is delaying final action.
Management of the Shipping Point Inspection Program #01061-16-AT*	9/30/92	0	0	The audit has nine recommendations of which eight are complete. The negotiation of revised cooperative agreements with the cooperating agencies are delaying final action. The revised cooperative agreements containing appropriate language have been signed by 39 of the 51 cooperating agencies; the remaining 12 agreements should be revised by the end of Fiscal Year (FY) 1997.
<b>AMS Subtotal</b>		<b>0</b>	<b>251,573 (251,573)</b>	



# AGRICULTURAL RESEARCH SERVICE





**AGENCY AUDITS WITHOUT FINAL ACTION  
1 YEAR FROM THE MANAGEMENT DECISION DATE  
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>AGRICULTURAL RESEARCH SERVICE</b>				
The Oceanic Institute, Waimanalo, Hawaii #50099-1-SF	8/17/95	358,429 (279,180)	0	The audit has ten recommendations of which all remain open. Final action is contingent upon final payment, which is scheduled for May 2003.
<b>ARS Subtotal</b>		<b>358,429 (279,180)</b>	<b>0</b>	



CENTER FOR NUTRITION, POLICY AND  
PROMOTION



**AGENCY AUDITS WITHOUT FINAL ACTION  
1 YEAR FROM THE MANAGEMENT DECISION DATE  
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>CENTER FOR NUTRITION, POLICY AND PROMOTION</b>				
Evaluation of the Thrifty Food Plan #02801-1-AT	12/5/95	0	0	The audit has one recommendation which remains open. Menu development for the Thrifty Food Plan has delayed final action. Completion is scheduled for late 1997.
<b>CNPP Subtotal</b>		0	0	



# FARM SERVICE AGENCY





**AGENCY AUDITS WITHOUT FINAL ACTION  
1 YEAR FROM THE MANAGEMENT DECISION DATE  
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>FARM SERVICE AGENCY</b>				
1990-91 Disaster Payments for Nonprogram Crops, CA #03002-1-SF*	9/24/93	192,819 (31,446)	0	The audit has 13 recommendations of which 12 are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
1993-1994 Disaster Program - Nonprogram Crops, Columbia, SC #03004-2-AT	3/20/96	233,212 (151,189)	0	The audit has two recommendations of which one is complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Assistance Program, Nonprogram Crops, Sampson County Office, Clinton, NC #03006-3-AT*	6/5/95	267,005 (212,921)	0	The audit has five recommendations of which four are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Assistance Program, Franklin Parish, LA #03006-6-TE	1/4/96	65,493 (22,686)	0	The audit has four recommendations of which two are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
1989 Emergency Crop Loss Assistance, Orleans County, NY #03012-2-HY*	8/1/91	146,284 (23,325)	0	The audit has four recommendations of which three are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Program - Nonprogram Crops, Grady County, GA #03097-3-AT*	11/18/93	227,532 (63,302)	0	The audit has two recommendations of which one is complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Maximum Payment Limitations, Seminole County, GA #03097-4-AT	6/17/94	1,090,701 (944,167)	0	The audit has two recommendations which remain open. All administrative and corrective actions have been completed. Producer appeals delayed establishment of claims and initiation of collection efforts. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
1988 Disaster Program, MI #03099-81-CH*	1/12/90	757,372 (4,671)	0	The audit has 16 recommendations of which 15 are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Program - Nonprogram Crops, Thomas County, GA #03099-148-AT*	9/30/93	333,628 (310,351)	0	The audit has two recommendations which remain open. All administrative and corrective actions have been completed. Final action is delayed pending the outcome of court proceedings and receipt of documentation which identifies full disposition of the disallowed costs.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Disaster Program Payments, AK #03099-149-TE*	11/8/91	625,353 (270,883)	0	The audit has two recommendations of which one is complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. Producers have entered into repayment schedules to liquidate outstanding claims.
1989 Cucumber Disaster Payments, TX #03099-150-TE*	11/21/91	1,106,666 (177,631)	0	The audit has 12 recommendations of which 9 are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. All claims have been setup for debt collection through IRS offsets. One producer has entered into a repayment schedule.
1991 Livestock Emergency Feed Program #03099-159-TE*	1/7/93	225,293 (77,239)	0	The audit has seven recommendations of which six are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Arkansas Emergency Conservation Program #03099-160-TE*	5/14/93	50,169 (289)	0	The audit has ten recommendations of which nine are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.



Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Marketing Practices of a Peanut Handler #03099-165-TE	12/9/93	1,250,731 (1,250,731)	0	The audit has two recommendations of which one is complete. FSA disagrees with the National Appeals Division (NAD) determination and has requested NAD's Director to review the determination. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
1991 Livestock Emergency Feed Program, TX #03099-166-TE*	9/16/93	515,937 (362,090)	0	The audit has three recommendations of which one is complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Louisiana Producer's Compliance with Maximum Payment Limitation Rules for 1992 and 1993 #03099-168-TE*	8/31/94	328,286 (328,286)	136,804 (0)	The audit has two recommendations of which one is complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Peanut Handler Operations in Gaines County, TX #03099-171-TE*	9/24/94	227,089 (153,406)	0	The audit has five recommendations of which one is complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
1993 Crop Disaster Payments in Grand Forks County, ND #03099-194-KC*	3/29/95	223,612 (83,251)	0	The audit has three recommendations of which two are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Payment Limitations for 1987, ID #03600-1-SF*	5/19/89	1,118,793 (145,134)	0	The audit has nine recommendations of which seven are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. Producers have entered into repayment schedules to liquidate outstanding claims.
1988 Livestock Feed Program, TX #03600-11-TE*	6/21/90	613,943 (86,602)	0	The audit has 13 recommendations of which 11 are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
1989 Payment Limitation Operations, AR #03600-13-KC*	9/30/91	3,611,182 (380,002)	0	The audit has three recommendations of which one is complete. All administrative and corrective actions have been completed. Completion of bankruptcy proceedings is delaying final action.
Commodity Credit Corporation's Fiscal Years 1992 and 1991 Financial Statements #03600-14-FM*	8/2/93	0	0	The audit has 20 recommendations of which 19 are complete. Final action is delayed pending development of PCIMS accounting handbooks and implementation of CORE accounting system to replace CCC's Financial Management Accounting System, which is scheduled for January 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Management Issues Identified During Audit of CCC's FY 1993 & 1992 Comparative Financial Statements #03600-18-FM*	7/12/94	0	1,905 (0)	The audit has 22 recommendations of which 17 are complete. Final action is delayed pending development of PCIMS accounting handbooks and implementation of CORE accounting system to replace CCC's Financial Management Accounting System, which is scheduled for January 1998.
Maximum Payment Limitation 1991, AZ #03600-18-SF	6/16/93	313,839 (0)	0	The audit has seven recommendations of which five are complete. Final action is delayed pending clearance of the revision of FSA's Handbook 1-APP, Administrative Appeals. The handbook is expected to be issued by May 1997.
1989 Disaster Assistance Program, Frio County, TX #03600-18-TE*	5/22/91	131,077 (82,585)	0	The audit has three recommendations of which two are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
1991 Disaster Assistance Program, MI #03600-22-CH*	10/22/94	88,520 (41,872)	0	The audit has two recommendations of which one is complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.



Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Payment Limitation for Hughes and Sully County Entities Huron, SD #03600-27-KC	6/11/93	332,850 (0)	0	The audit has four recommendations of which two are complete. Final action is delayed pending the outcome of lawsuits the members of the partnership have filed against each other as a result of the audit findings. Additional monetary amounts may be associated with this audit; however, the value of these amounts cannot be determined because the corrective actions taken by FSA will hinge on the court's determinations in the legal proceedings.
Disaster Assistance Program, Canyon County, ID #03600-27-SF*	1/24/95	34,984 (21,794)	0	The audit has two recommendations of which one is complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Assistance Program, 1993 Nonprogram Crops, Malheur County, OR #03600-28-SF	4/1/95	709,777 (86,645)	0	The audit has seven recommendations of which three are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Assistance Program, 1993 Nonprogram Crops, Butte County, GA #03600-29-SF*	3/27/95	150,551 (90,943)	0	The audit has five recommendations of which two are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Disaster Assistance Program, Comanche County, TX #03600-40-TE*	9/30/94	139,868 (41,188)	0	The audit has two recommendations of which one is complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Assistance Program, Eastland County, TX #03600-41-TE*	9/30/94	31,199 (9,639)	0	The audit has two recommendations of which one is complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Assistance Program, Zavala County, TX #03600-42-TE	9/30/94	294,774 (40,027)	0	The audit has three recommendations of which two are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Disaster Assistance Program, Bradley County, AR #03600-44-TE	3/31/95	2,025,795 (190,193)	0	The audit has seven recommendations of which five are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. Producers have entered into repayment schedules to liquidate outstanding claims.



Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Disaster Assistance Program, Lincoln County, AR #03600-46-TE	3/31/95	950,907 (946,860)	0	The audit has six recommendations of which one is complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. Producers have entered into repayment schedules to liquidate outstanding claims.
Disaster Assistance Program, Atascosa County, TX #03600-47-TE*	3/29/95	355,866 (112,086)	0	The audit has four recommendations of which two are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Indian Tribal Land Acquisition Program, Washington, DC, and Rapid City, SD #04099-113-KC*	3/29/91	5,432,329 (0)	0	The audit has seven recommendations of which three are complete. Final action is delayed due to the OIG elevating the audit to the OGC since FSA believes nothing would be gained by executing a new contract.
Indian Tribal Land Acquisition Program, Loan Approval and Servicing, Washington, DC #04099-122-KC*	10/16/92	9,630,000 (9,630,000)	0	The audit has seven recommendations of which two are complete. Final action is pending publication of revisions to 7 Code of Federal Regulation (CFR) Part 1822 Subpart N (Instruction 442.11). The issuance of this regulation has been delayed due to issues raised by the Agency's reorganization. Disposition of the monetary amounts is pending an opinion from the OGC. The Agency anticipates the final rule will be published by June 1998.

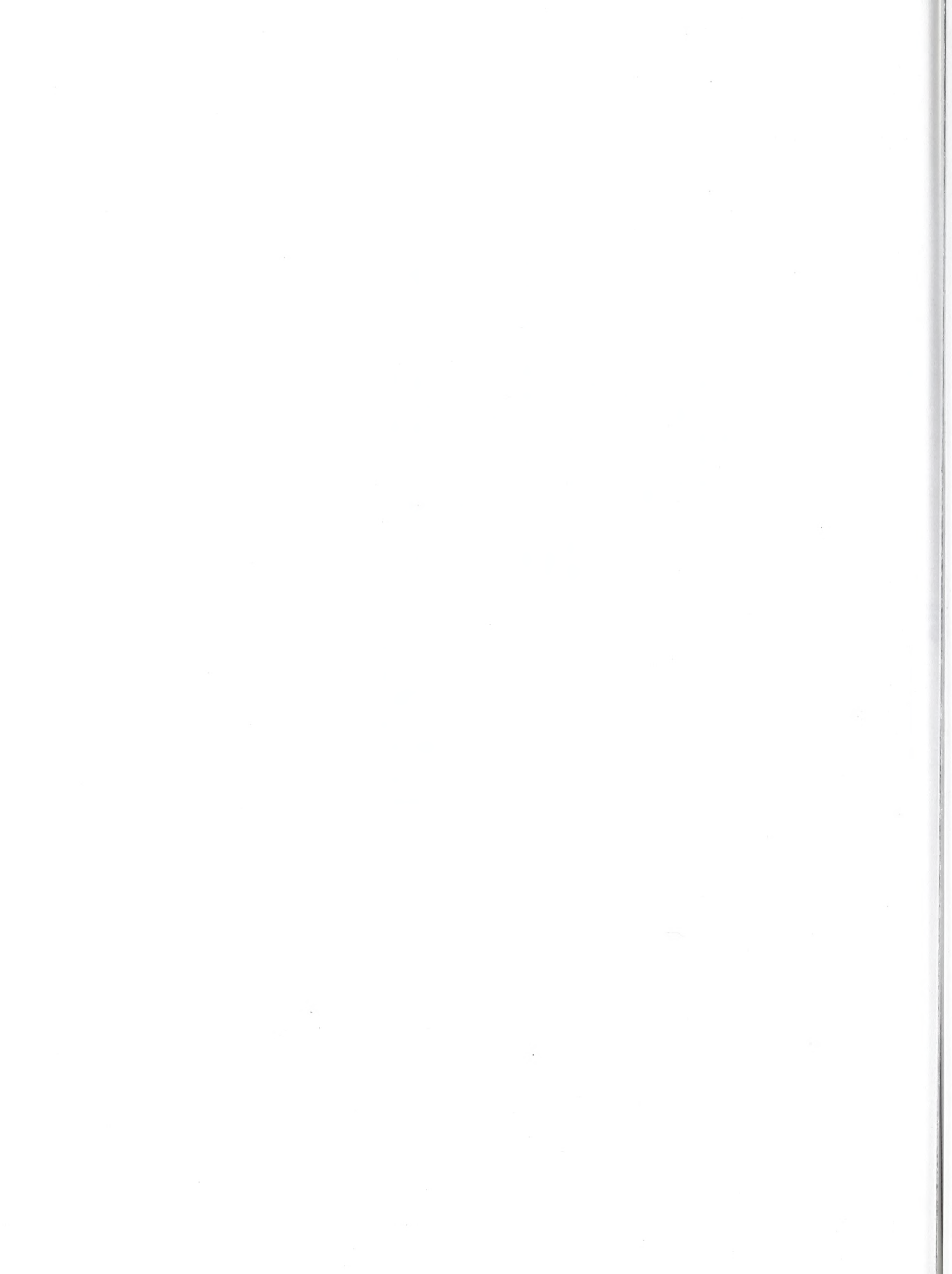
Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Interest Accrual on Guaranteed Loans Delinquent Over 90 Days #04099-143-TE*	9/26/89	0	8,378,513 (0)	The audit has three recommendations of which two are complete. Final action is delayed pending publication of regulations requiring the lender to reach a decision concerning liquidation within 90 days of default. Publication of the Final Rule is expected to be completed in June 1998.
Accrued Interest on Guaranteed Loan Repurchases #04099-173-TE*	7/16/92	478,935 (478,935)	1,132,207 (0)	The audit has nine recommendations of which six are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Farm Ownership Loans for Socially Disadvantaged Persons #04099-184-TE*	3/31/93	0	0	The audit has five recommendations of which four are complete. Regulations are being revised to include the provisions of the delegation to the Secretary to establish an Outreach Program. Due to a transition in personnel, the implementation date will be determined as new regulations are revised and published.
Managing Debts Requiring Litigation, Washington, DC #04099-334-AT	01/27/95	0	0	The audit has two recommendations of which one is complete. Final action is delayed pending an OIG's determination for a change in management decision request.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Guaranteed Loan Interest Rate Buydown Program #04600-7-AT*	3/29/90	0	0	The audit has nine recommendations of which six are complete. A request for a change in the management decision has been submitted to OIG to allow the Interim Rule to meet the requirements of the audit. Final action was delayed pending the development and implementation of necessary regulations, which were published on July 9, 1996 as an Interim Rule in the Federal Register (FR).
FY 1990 Financial Statements #04600-9-FM*	9/30/91	0	0	The audit has nine recommendations of which eight are complete. Final action was delayed pending development and implementation of Credit Alert Interactive Voice Response System to include farm credit loans, which is expected to be completed by July 1997.
Subsequent Farmer Program Loans to Net Recovery Buyout Borrowers #04600-11-TE*	3/31/92	6,510 (3,322)	0	The audit has five recommendations of which four are complete. All administrative and corrective actions have been completed. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs. Producers have entered into repayment schedules to liquidate outstanding claims.
Limited Resource Loans Eligibility and Servicing Actions #04600-32-CH	9/29/94	0	0	The audit has ten recommendations of which three are complete. Final action is delayed pending completion of FSA's study regarding the limited resource loan program. FSA expects to complete this study by September 1997. A change in management decision for three recommendations occurred in April 1997.



Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Emergency Loan Program Eligibility Determinations in WI #04600-46-CH*	12/9/94	56,290 (31,420)	0	The audit has one recommendation which remain open. Final action is delayed pending OIG determination for a change in management decision.
Farmer Program Guaranteed Loans #04665-2-TE*	9/29/88	0	483,405,395 (209,700,000)	The audit has 17 recommendations of which 15 are complete. Final action is delayed pending development of a system to accommodate the changes originally planned for the completion of computerized controls of the agency's Guaranteed Loan Accounting system. A change in management decision has been submitted to the OIG.
CCC Management Issues for FY 1994 and 1993 Comparative Financial Statements #06401-2-FM	3/12/96	0	0	The audit has 20 recommendations of which 10 are complete. Final action is delayed pending reconciliation of the check and certificate accounting systems, development and implementation of automated accounts, and documentation of related procedures. Final action is expected to be completed in FY 1998.
Administrative Appeals, Washington, D.C. #46001-1-AT	9/29/95	0	0	The audit has four recommendations of which three are complete. Final action is delayed pending publication of the Final Rule governing the USDA and FSA administrative appeals process. The Final Rule is expected to be published in FY 1997, after which FSA will conduct the field office training.
<b>FSA Subtotal</b>		<b>34,375,171 (16,887,111)</b>	<b>493,054,824 (209,700,000)</b>	

# RURAL HOUSING SERVICE



**AGENCY AUDITS WITHOUT FINAL ACTION  
1 YEAR FROM THE MANAGEMENT DECISION DATE  
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>RURAL HOUSING SERVICE</b>				
Implementation of Nine Point Credit Management Program #04006-2-AT*	8/10/88	0	0	The audit has 24 recommendations of which 21 are complete. Implementation of the Dedicated Loan Origination Servicing (DLOS) System and USDA's development of software to implement the automated tracking system are delaying final action.
Management of the Hebron Meadows and Otter Creek Projects, Polo, Illinois #04010-3-CH	8/14/95	17,784 (17,784)	2,467 (2,467)	The audit has eight recommendations of which three are complete. Final action is delayed pending disposition of unsupported/questioned and unallowable costs.
Rural Rental Housing Project Operations, Muskingum, Ohio #04010-7-CH	5/19/95	0	9,482 (9,482)	The audit has seven recommendations of which one is complete. OCFO's review of documentation requested from the agency is delaying final action.
AJY Management Group, Inc., Chesterfield, Missouri #04010-9-CH	3/14/96	42,477 (42,477)	0	The audit has four recommendations of which one is complete. The Agency has requested a change in the management decision. A response to the request is delaying final action.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Rural Rental Housing Program, Whistleblower Complaint, San Juan, Puerto Rico #04099-1-HY	11/7/95	0	0	The audit has 20 recommendations of which all remain open. Final action is delayed pending a decision by the U.S. Attorney on the investigative report and the approval and hiring of a new management firm.
Rural Rental Housing Program Incentives to Avert Prepayment #04099-1-KC*	6/22/95	0	156,361 (156,361)	The audit has three recommendations of which all remain open. Final action is delay pending revision of Agency instructions.
Building Venture and Associates, Port Henry Apartments and Associates, and Elizabethtown Enterprises and Associates Johnstown, New York #04099-2-HY	5/25/95	116,160 (0)	0	The audit has 17 recommendations of which all remain open. The agency has prepared an analysis of these recommendations for OGC's review and opinion. This has delayed final action.
Collection Systems and Other Selected Areas #04099-72-FM*	9/28/90	313 (0)	254,273 (0)	The audit has 12 recommendations of which 10 are complete. Software development for reporting to the Internal Review Service has been delayed due to resources, lack of personnel and priority projects. Final action is also pending revision of an annual guidance letter to field offices relating to employee defalcation accounts.



Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Commercial Township Housing Preservation Grant, Commercial Township, New Jersey #04099-75-HY*	3/17/94	100,000 (100,000)	0	The audit has 14 recommendations of which five are complete. The Agency and the Township negotiated a final settlement and will sign a final resolution statement.
Paradise Mills Estate, Virgin Islands #04099-79-HY*	4/9/92	0	249,327 (9,805)	The audit has 15 recommendations of which seven are complete. The agency is preparing and gathering documentation for OCFO's review on the unresolved audit issues.
Evaluation of Selected Information Resources Management and Other Procurement #04099-87-FM*	9/30/91	0	2,129,250 (0)	The audit has 13 recommendations of which 12 are complete. The agency is working with FSA and NRCS to develop business processes to translate Rural Development's organizational vision into specific activities that will distribute services across a common operating environment.
Selected Aspects of FmHA Computer Security #04099-89-FM*	3/31/94	0	0	The audit has 14 recommendations of which 10 are complete. The Agency has completed eight of the nine recommendations in the National Institute of Standards and Technology (NIST) report. The final recommendation is scheduled to be completed in Fall 1997. Final action is also pending the implementation of an alternate production database for the Guaranteed Loan Accounting System.
Special Review, Morgantown, West Virginia #04099-90-HY	2/8/95	0	0	The audit has 20 recommendations of which all remain open. The Agency has submitted problem case reports to the Office of the General Counsel (OGC). Final action is pending OGC's concurrence to accelerate.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Rural Rental Housing Program Champaign, Illinois #04099-108-CH*	3/26/93	16,577 (6,740)	285,789 (134,756)	The audit has 12 recommendations of which nine are complete. Final action is delayed pending recovery of the remaining unsupported costs and documentation verifying that needed repairs to projects have been inspected.
Rural Rental Housing Program Operations at Nauvoo Development Company, Inc. #04099-110-CH*	7/7/93	0	0	The audit has three recommendations of which all remain open. Final action is pending foreclosure on the projects.
Rural Rental Housing Program, Project Operations, St. Paul, Minnesota #04099-116-CH*	5/2/94	2,791 (0)	0	The audit has ten recommendations of which nine are complete. The Agency has requested a change in the management decision. A response to the request is delaying final action.
Servicing of HUD Section 8/515 Projects, Woodland, California #04099-130-KC*	2/18/93	698,115 (0)	741,171 (186,284)	The audit has eight recommendations of which seven are complete. The Agency has requested a change in the management decision. A response to the request is delaying final action.
Rural Rental Housing Cost Certification for a Borrower With an Identity of Interest, Louisiana #04099-187-TE*	11/3/92	56,888 (56,888)	0	The audit has five recommendations of which three are complete. The Agency has requested the borrower for repayment of the questioned costs; however, the borrower has made no attempt to contact the Agency or refund the money. Therefore, the Agency will accelerate the account for non-monetary default.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Rural Rental Housing Wells Property Management Company #04099-189-TE*	3/4/93	0	947,078 (840,017)	The audit has two recommendations of which one is complete. Transfer and assumption of loan accounts are delaying final action.
Rural Rental Housing Cost Certification, Louisiana #04099-195-TE*	12/17/92	17,658 ( 0 )	0	The audit has two recommendations of which one is complete. The Agency has requested a change in the management decision. A response to the request is delaying final action.
Rural Rental Housing Dallas, Texas #04099-205-TE*	7/26/94	0	2,687,639 (2,687,639)	The audit has four recommendations of which one is complete. The general partner has filed for bankruptcy and the U.S. Attorney and OGC have declined to prosecute for further collection. The agency will request a change in the management decision.
Managing Debts Requiring Litigation #04099-334-AT	1/27/95	0	0	The audit has five recommendations of which all remain open. The process to phase all states into the Dedicated Loan Origination and Servicing System for tracking cases pending litigation is delaying final action.
Consolidated Financial Statements, FY 1994 #04400-3-FM	3/29/95	0	0	The audit has seven recommendations of which all remain open. The agency provided OIG with draft procedures documenting the subsidy establishment and reestimation processes. OIG's review of the procedures found that additional improvements were needed. The agency's revision of the procedures and the results from a quality assurance review are delaying final action.



Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Controls and Security Over Remote Transaction Processing #04600-4-FM*	2/6/92	0	0	The audit has 32 recommendations of which 31 are complete. Final action has been delayed in the development of a tracking system to ensure security clearances for all personnel.
Rural Rental Housing Program, Servicing of HUD Section 8/515 Projects, #04600-5-KC	9/30/93	0	4,815,119 (4,815,119)	The audit has 11 recommendations of which one is complete. The amendment of regulations to implement legislative reforms is delaying final action.
Financial Statement Audit, FY 1991 Management Issues #04600-12-FM*	9/30/92	0	0	The audit has 11 recommendations of which 10 are complete. The agency is working with FSA and NRCS to develop business processes to translate Rural Development's organizational vision into specific activities that will distribute services across a common operating environment.
Rural Rental Housing Program, Ohio #04600-13-CH*	3/22/91	0	89,641 (18,706)	The audit has 13 recommendations of which 12 are complete. All administrative and corrective actions are complete on this audit. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Management Issues Identified During the Audit of FmHA's FY 1992 Financial Statements #04600-17-FM*	2/7/94	0	0	The audit has 18 recommendations of which 17 are complete. Implementation of the Information Strategy Plan (ISP) is delaying final action. The ISP is scheduled for completion in March 1998.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
FmHA/RDA's Consolidated Financial Statements for FY's 1993 and 1992 #04600-19-FM*	3/1/94	0	0	The audit has six recommendations of which three are complete. The mission area plans to develop and document high and intermediate control objectives and techniques in an integrated, top-down, risk-oriented framework by Fall 1997. Final action is delayed due to software development and limited resources.
Rural Rental Housing Project Funding and Eligibility #04601-1-SF	8/95	0	186,410,994 ( 0 )	The audit has five recommendations of which all remain open. The agency is revising regulations to reflect legislative changes in Public Law 104-180. This is delaying final action.
Cash and Debt Management Activities #04663-2-CH*	3/10/89	0	59,900,000 (2,900,000)	The audit has 35 recommendations of which 25 are complete. Final action is delayed pending policy clearance and implementation of the DLOS System.
Nationwide Review of Selected Program Areas #04669-2-FM*	9/29/89	0	1,597,300 (1,056,000)	The audit has 12 recommendations of which 11 are complete. The automated validation of interest rates on loan assumptions and reamortizations will be completed for Rural Development by Fall 1997.
M & R Associates, Inc., Management Operations of Rural Rental Housing Projects #04801-1-TE	9/29/95	1,334,797 (1,334,797)	0	The audit has seven recommendations of which all remain open. The borrower/owner filed an appeal and several recommendations were reversed. Final action is delayed pending submission of work out plans to fully fund reserve accounts, debarment action against the borrower/owner and reimbursement of improper charges to reserve accounts.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
National Appeals Division, Administrative Appeals #46001-1-AT	9/29/95	0	0	The audit has three recommendations of which all remain open. Final action is delayed due to the development of an automated tracking system that will monitor the timeliness of the agencies implementation of hearing officer decisions; and training to all state office appeal coordinators on the use of the automated tracking system.
Powder Valley Water Control District - Union County, Oregon, FY ending 10/31/94 #50020-17-SF	9/29/95	35,118 (35,118)	0	The audit has one recommendation which remains open. Repayment of the disallowed cost is delaying final action.
Management Issues Identified During FY 1994 Financial Statements #50401-1-FM	7/26/95	254 (0)	0	The audit has 10 recommendations of which six are complete. Implementation of the Single Family Housing Dedicated Loan Origination and Servicing System and an automated system to monitor judgements is delaying final action.
Quality of Audits Performed on Rural Rental Housing Borrowers by Certified Public Accountants #50600-9-CH	3/31/93	0	0	The audit has 10 recommendations of which nine are complete. Revision of Instruction 1930-C is delaying final action.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
RHS Subtotal		2,438,932 (1,593,804)	260,275,891 (12,816,636)	





# RISK MANAGEMENT AGENCY



**AGENCY AUDITS WITHOUT FINAL ACTION  
1 YEAR FROM THE MANAGEMENT DECISION DATE  
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>RISK MANAGEMENT AGENCY</b>				
Reinsurance Operations, Mississippi #05099-11-AT*	3/31/88	822,104 (27,600)	12,680,562 (0)	The audit has six recommendations of which five are complete. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
Soybean Losses in three Arkansas Counties for 1988 and 1989 #05099-55-TE*	7/16/92	50,000 (41,500)	0	The audit has three recommendations of which two are complete. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.
1991 Nonstandard Underwriting Classification System, AR #05099-56-TE	3/31/93	214,814 (210,707)	0	The audit has five recommendations of which four are complete. Final action is delayed pending receipt of documentation which identifies full disposition of the disallowed costs.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
1989 Corn and Soybean Contract Crop Hail Management, Vernon County, Missouri #05099-105-KC*	3/31/92	481,921 (203,737)	584,304 (329,702)	The audit has four recommendations of which one is complete. Final action is delayed pending receipt of documentation identifying disposition of disallowed costs and extensive reviewing of accounting records to reflect corrected liabilities and premiums.
1988 Crop Insurance Contracts With Claims #05600-1-TE*	9/29/89	0	0	The audit has 19 recommendations of which 18 are complete. Final action was delayed due to the reviews did not support the establishment of the error rate. A request for a change in management decision is forth coming.
FCIC Crop Year 1991 Claims #05600-4-TE	1/29/96	0	0	The audit has 16 recommendations of which 9 are complete. Final action is delayed due to implementation of administrative actions necessary to meet the management decisions.
FCIC Management Issues FY 1995 #06401-5-FM	3/15/96	0	0	The audit has one recommendation which remains open. Final action is delayed due to FCIC not having a full quorum of the Board of Directors at the time of management decision. They are, on an ongoing basis, to ensure there is active oversight of appropriate items for approval and review them on a timely basis.
<b>RMA Subtotal</b>		<b>1,568,839 (483,544)</b>	<b>13,264,866 (329,702)</b>	

# FOREIGN AGRICULTURAL SERVICE



**AGENCY AUDITS WITHOUT FINAL ACTION  
1 YEAR FROM THE MANAGEMENT DECISION DATE  
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>FOREIGN AGRICULTURAL SERVICE</b>				
Commodity Pricing Review #07001-2-HY*	3/25/91	63,885,638 (27,417,350)	0	The audit has 24 recommendations of which 23 are complete. Final action is delayed due to the evidence developed by OIG during the investigation which was provided to the Fraud Section of the Department of Justice (DOJ) in January 1996. DOJ has yet to decide whether they will prosecute the exporter. Administrative action by the Commodity Credit Corporation (CCC) cannot be taken until DOJ formally declines to do so. If DOJ declines to prosecute, CCC will immediately pursue administrative action, including recovery of the value of the after sales services.
International Training Division #44010-3-HY*	9/29/89	0	0	The audit has ten recommendations of which nine are complete. Final action is delayed due to FAS requesting from the Office of General Counsel (OGC) an opinion on expired Office of International Cooperation and Development (OICD) accounts in Treasury's appropriation accounts that show negative cash balances due to uncollectible accounts receivable. If the OGC opinion states that this is an Antideficiency Act violation, FAS will file a notification to this effect.



Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Financial Management System #44060-1-HY*	7/13/90	0	0	The audit has 17 recommendations of which 13 are complete. Final action is delayed due to FAS confirming with FSA's that the procedures for billings and collections comply with GAO standards; requesting from the Office of General Counsel (OGC) an opinion on expired OICD accounts in Treasury's appropriation accounts that show negative cash balances due to uncollectible accounts receivable, however, if the OGC opinion states that this is an Antideficiency Act violation, FAS will file a notification to this effect, and documentation on bills paid for outstanding receivables.
FAS Subtotal		63,885,638 (27,417,350)	0	



# FOREST SERVICE



**AGENCY AUDITS WITHOUT FINAL ACTION  
1 YEAR FROM THE MANAGEMENT DECISION DATE  
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>FOREST SERVICE</b>				
Fiscal Year 1991 Financial Statements #08099-37-AT*	8/24/92	0	0	The audit has nine recommendations of which six are complete. Final action is delayed due to programming problems in the Infrastructure system under development; scheduling of the Agency's transfer to USDA's Financial Information Systems Vision and Strategy (FISVIS) integrated general ledger system; and loss of key personnel in the FS Headquarters and in the field.
Fiscal Year 1992 Financial Statements #08099-42-AT*	8/3/93	0	0	The audit has ten recommendations of which seven are complete. Final action is delayed due to downsizing of the FS at Headquarters and in the field; programming problems in the Infrastructure system under development; and scheduling of the Agency's transfer to USDA's FISVIS integrated general ledger system.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
FS Management Report #08099-47-AT*	12/15/93	0	0	The audit has 12 recommendations of which six are complete. Final action is delayed due to programming problems in the Infrastructure system under development; scheduling of the Agency's transfer to USDA's FISVIS integrated general ledger system; and loss of key personnel in the FS Headquarters and in the field.
Fiscal Year 1993 Financial Statements #08099-49-AT*	6/10/94	0	0	The audit has five recommendations of which four are complete. Final action is delayed due to downsizing of the FS at Headquarters and in the field; programming problems in the Infrastructure system under development; and scheduling of the Agency's transfer to USDA's FISVIS integrated general ledger system.
Timber Management Antitrust Controls #08099-119-SF*	8/28/91	0	0	The audit has eight recommendations of which one is complete. Change and loss of personnel due to the rapid decline of the National Timber Program are delaying final action.
Stumpage Rate Adjustments on Timber Sales #08099-122-SF*	9/30/91	0	0	The audit has five recommendations of which two are complete. Final action is pending publication of a final rule which is expected in late spring, 1997.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
FS Timber Sale Cruising Controls #08099-130-SF*	9/30/93	0	0	The audit has 15 recommendations which remain open. Final action is delayed due to downsizing along with a loss of skill levels in the timber management staff which prevents full accomplishment of the recommendations. Discussions are being held to determine if proposed new standards can be met. If standards cannot be met, FS will request a revised management decision.
Influence of Interest on Timber Sales Management #08099-146-SF*	5/5/94	0	0	The audit has 10 recommendations of which four are complete. Final action is delayed due to cutbacks in the timber management staff.
Fiscal Year 1994 Financial Statements #08401-0001-AT	6/20/95	0	0	The audit has five recommendations of which two are complete. Final action is delayed due to a loss of key personnel in the FS Headquarters and in the field. The FS requests a revised management decision to consolidate the remaining recommendations with the Fiscal Year 1995 Financial Statements audit.
Controls Over Research Services Provide to External and Forest Service Clients #08601-7-SF*	5/23/95		5,024,245 (2,422,336)	The audit has nine recommendations of which two are complete. Final action is delayed due to the lack of personnel resources.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Land Purchase Program #08601-11-SF	11/22/95	0	0	The audit has three recommendations of which two are complete. Final action is delayed pending the completion of remediation by the Corps of Engineers.
Grants for State and Private Forestry Pacific and Northwest Region #08601-12-SF	12/6/95	23,383 (23,383)	0	The audit has 13 recommendations of which 11 are complete. Final action is delayed due to delays in receiving documentation from an external source.
State Land and Farm Loan Office #50018-1-KC	8/31/95	0	0	The audit has three recommendations which remain open. Final action is pending receipt of closure documentation. Documentation is delayed due to a field personnel vacancy.
National Fire Protection Association #50022-1-HY	5/5/95	10,792 (3,800)	0	The audit has eight recommendations of which seven are complete. Final action is pending receipt of closure documentation. Documentation is delayed due to employee transfers and position vacancies.
State of Florida for the Fiscal Year Ended 1991 #50568-248-AT*	6/30/91	0	0	The audit has two recommendations of which one is complete. Final action is delayed due to a new interpretation which will not allow the continued exemption. All cooperative law enforcement agreements will be revised to comply with this Act effective FY 1997.
<b>FS Subtotal</b>		<b>34,175 (27,183)</b>	<b>5,024,245 (2,422,336)</b>	



# RURAL UTILITIES SERVICE



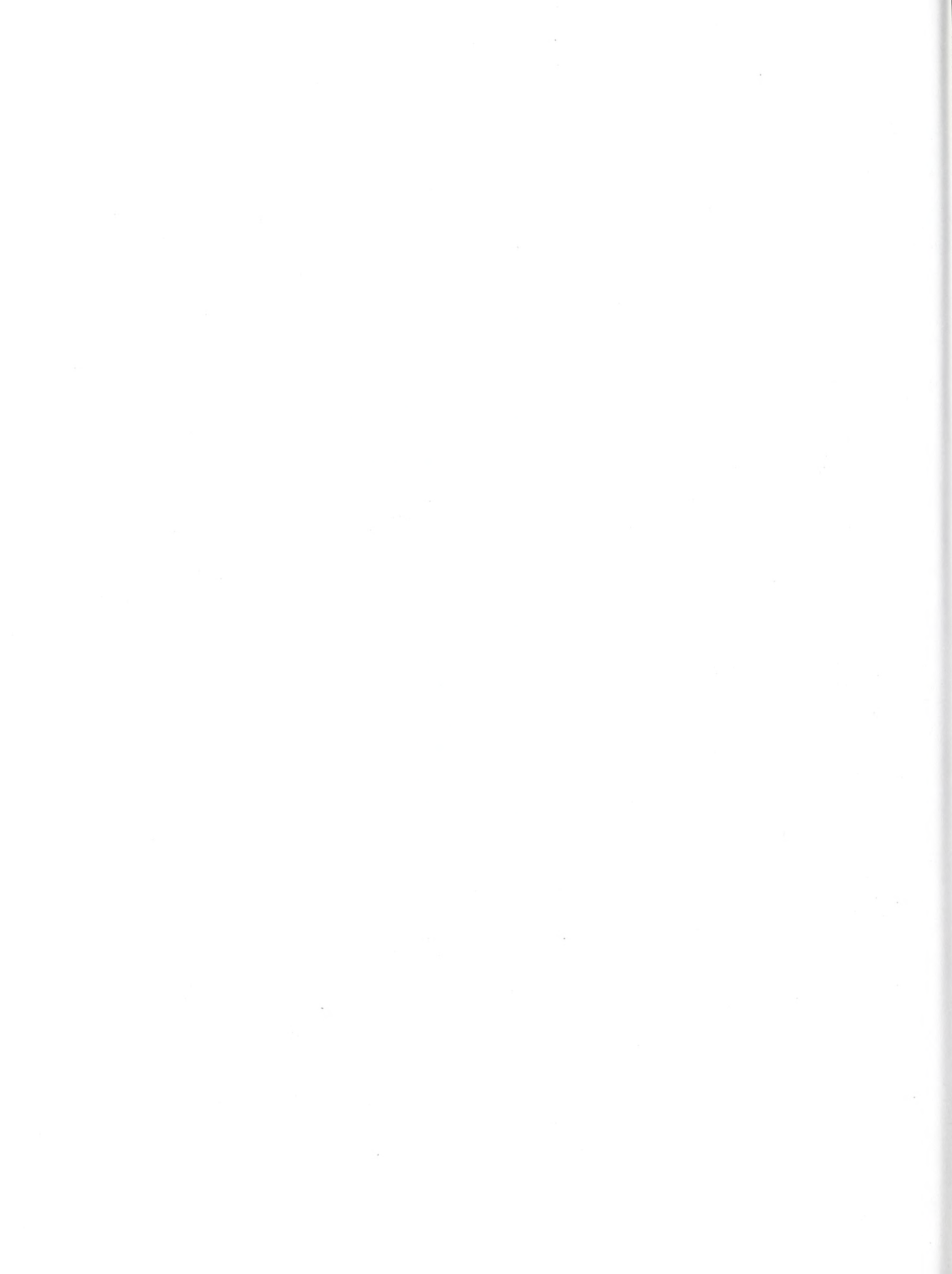


**AGENCY AUDITS WITHOUT FINAL ACTION  
1 YEAR FROM THE MANAGEMENT DECISION DATE  
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>RURAL UTILITIES SERVICE</b>				
Special Review of Complaint of REA Advances of Loan Funds for Line Extension Contracts #09097-1-HY*	7/11/94	0	0	The audit has one recommendation which is open. Revision of the Telecommunication Program Regulation is delaying final action.
FY 1991 Management Letter #09600-5-HQ*	4/6/92	0	0	The audit has 11 recommendations of which eight are complete. Loan accounting system electronic data processing operations are documented. The database, infrastructure, and standards for system design through system implementation are being developed.
Report on the Guam Telephone Authority for the FY ended 9/30/94 #50020-3-SF	8/14/95	0	0	The audit has 15 recommendations of which two are complete. Submission of final action documentation is delaying final action.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Guam Telephone Authority, FY 1992 #50568-543-SF*	8/17/93	0	0	The audit has nine recommendations of which seven are complete. Submission of final action documentation is delaying final action.
Guam Telephone Authority, FY 1993 #50568-585-SF*	1/11/95	0	0	The audit has eight recommendations of which five are complete. Submission of final action documentation is delaying final action.
<b>RUS Subtotal</b>		0	0	

# NATURAL RESOURCES CONSERVATION SERVICE



**AGENCY AUDITS WITHOUT FINAL ACTION  
1 YEAR FROM THE MANAGEMENT DECISION DATE  
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>NATURAL RESOURCES CONSERVATION SERVICE</b>				
Great Plains Conservation Program #10099-2-KC*	7/6/95	0	0	The audit has three recommendations of which one is complete. Final action is delayed due to (1) the late publication of a final rule governing the Environmental Quality Incentives Program, and (2) the development of a revised agency management decision to support the development of a new progress reporting system.
Security Over Selected Distributed Minicomputer Systems #10099-3-FM*	9/30/92	0	0	The audit has five recommendations of which one is complete. Final action is delayed due to (1) the Agency's reorganization and personnel turnover, and (2) development of a revised agency management decision to support the development of a new computer system since the audited system is now obsolete.
Rescheduled Status Reviews #10099-12-KC*	7/27/93	0	5,564 (0)	The audit has seven recommendations of which four are complete. Final action is delayed pending preparation and submission of appropriate closure documentation.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Alternative Conservation Systems #10099-14-KC*	3/31/94	0	0	The audit has nine recommendations which remain open. Final action is delayed pending (1) revision of the National Food Security Act Manual to include procedures for correcting the alternative conservation system (ACS), and (2) development of a revised agency management decision because it is no longer practical to identify all conservation plans that contain ACS allowing soil loss >4T.
Ronald Adam Contractor, Inc., Thibodaux, Louisiana #10545-25-TE*	3/2/90	0	431,663 (431,663)	The audit has one recommendation which remains open. Receipt of documentation verifying final payment to the contractor is delaying final action.
Wetland Conservation Provisions #50600-2-KC*	12/15/92	0	0	The audit has six recommendations of which five are complete. Final action is delayed due to the reassignment of Agency personnel.
Conservation Compliance Provisions #50600-3-KC*	8/19/92	0	20,011,833 (0)	The audit has 21 recommendations of which 20 are complete. Final action is delayed pending receipt of closure documentation.
Colorado River Salinity Control Program #50600-11-KC	3/31/95	72,762 (72,762)	0	The audit has ten recommendations of which two are complete. Final action is delayed pending the establishment of revised land eligibility criteria.
<b>NRCS Subtotal</b>		<b>72,762 (72,762)</b>	<b>20,449,060 (431,663)</b>	



OFFICE OF THE CHIEF FINANCIAL OFFICER



**AGENCY AUDITS WITHOUT FINAL ACTION  
1 YEAR FROM THE MANAGEMENT DECISION DATE  
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>OFFICE OF THE CHIEF FINANCIAL OFFICER</b>				
Verification of Data Input Into OCFO/NFC Payroll/Personnel System #11099-1-FM	2/2/96	0	0	The audit has one recommendation in which completion of corrective action delayed final action beyond 1 year of the management decision. Final action has been achieved on this audit.
Selected Aspects of Computer Security at the National Finance Center #11099-32-FM*	9/30/92	0	0	The audit has 12 recommendations of which 11 are complete. The Agency is currently implementing the Integrated Data Management System (IDMS) Release 12.0 and expects partial implementation in early FY 1997. OCFO/NFC's (Office of the Chief Financial Officer/National Finance Center) realignment of priorities, increased workload with reduced staff, and the effort to require inhouse record level security routines delayed the implementation of IDMS Release 12.0. Procurement of a contractor which entailed intense budget analysis and critical funding decisions resulted in the speedy conversion to Release 12.0. Full implementation is estimated by September 1997.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
USDA FY 1992 National Finance Center General Controls Review #11600-1-FM	3/31/89	0	0	The audit has six recommendations of which five are complete. The final review of revisions to Departmental Regulation 1110-2, "Management Accountability and Control," which will implement the provisions of OMB Circular A-123, is delaying final action.
FY 1994 General Controls Audit #11600-3-FM*	3/13/95	0	0	The audit has seven recommendations of which three are complete. OCFO/NFC is resolving all Administrative Billings and Collections System (ABCO) out-of-balance conditions each month and is working to resolve old out-of-balance conditions in the Program Billings and Collections System (BLCO) by September 1997. Limited programmer resources and commitment of resources to the Federal Financial Information System (FFIS) is delaying resolution of ABCO and BLCO out-of-balance conditions and implementation of recommendations on OCFO/NFC's centerwide adjustments study is also delaying final action.
Evaluation of Treasury Reconciliation Procedures #11800-1-AT*	3/31/94	0	0	The audit has nine recommendations of which eight are complete. OCFO/NFC reduced unreconciled collections from \$5 million to \$2.9 million and implemented several changes in the reconciliation of the deposits. The commitment of resources to FFIS is delaying implementation of this recommendation.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Audit of FY 1994 USDA Financial Statements #50401-4-FM	8/23/95	0	0	The audit has two recommendations of which all remain open. OIG and OCFO mutually agreed not to develop a Performance Agreement since FFIS, when implemented, will adequately support cash suspense account data. To ensure that Online Payment and Collection bills are processed timely and charged to agency accounts, OCFO implemented tighter controls regarding charge backs, improved aging reports to include a new sort of the data allowing us to better analyze and process unprocessed bills, developed reports that detail percentages of unprocessed bills, for a month, to the total unprocessed amount, and developed reports that track the percentage change from unprocessed to processed status. The General Ledger reconciliation is current as of February 1997 and the prior year reconciliations are targeted for completion by October 1997.
USDA Management Issues Identified During Audit of FY 1994 Financial Statements #50401-7-FM	9/29/95	0	0	The audit has 11 recommendations of which all remain open. Procedures will be included in chapter 13 of the USDA Financial and Accounting Standards Manual (FASM) to address the development of documented procedures requiring agencies to provide supporting documentation for detailed data disclosed in the footnotes of the USDA Financial Statements, the development of documented procedures requiring agencies to maintain adequate support for estimates submitted to OCFO/NFC at fiscal year end and the development of forms and



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				procedures for the elimination-entry process. FASM will be submitted for formal coordination no later than early Spring 1998. Documentation for Federal claims collection standards will be completed after a section head position is filled and input is given from the selectee. OCFO/NFC estimates completion of the documentation procedures by July 1997 and implementation of system changes in BLCO by October 1997. Limited resources delayed completion of the reengineering of the Utility Vendor System. Negotiations among the involved parties is delaying resolution of out-of-balance conditions between the general ledger and the Property Management Information System for Office of Chief Information Officer.
USDA Audit of FY 1992 Financial Statements #50600-6-FM*	9/30/93	0	0	The audit has 24 recommendations of which 23 are complete. The implementation of the Information Technology Management Reform Act and creation of OCIO have affected the coordination of system reviews outlined in OMB Circular A-130 between OCFO and OCIO. OCFO is continuing discussions with OCIO to develop a strategy to enforce compliance with A-130 by USDA agencies and mission areas.
<b>OCFO Subtotal</b>		<b>0</b>	<b>0</b>	



COOPERATIVE STATE RESEARCH, EDUCATION,  
AND EXTENSION SERVICE



**AGENCY AUDITS WITHOUT FINAL ACTION  
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(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>COOPERATIVE STATE RESEARCH, EDUCATION AND EXTENSION SERVICE</b>				
Capacity Building Grants Program #13011-1-AT	9/29/95	51,835 (51,835)	2,034,076 ( 0 )	The audit has eleven recommendations of which three are complete. Final action is delayed due to programmatic requirements set out in the long-term strategic plan and revisions of applicable guidelines.
Small Business Innovation Research Program #13099-1-KC*	1/24/92	76,811 (76,811)	0	The audit has nine recommendations of which seven are complete. Since the recipient has not made payment, the Agency referred the delinquent account to a collection contractor, credit bureaus, and the Internal Revenue Service. Collection of the disallowed costs is delaying final action.
University of Guam, FY Ended 9/30/94 #50023-4-SF	11/24/95	0	0	The audit has four recommendations of which all remain open. Final action is delayed pending receipt of documentation.
The Oceanic Institute, Waimanalo, Hawaii #50099-1-SF	8/17/95	614,046 (478,295)	0	The audit has fifteen recommendations of which eight are complete. Final action is contingent upon final payment, which is scheduled for May 2003.
<b>CSREES Subtotal</b>		<b>742,692 (606,941)</b>	<b>2,034,076 ( 0 )</b>	



# OFFICE OF OPERATIONS





**AGENCY AUDITS WITHOUT FINAL ACTION  
1 YEAR FROM THE MANAGEMENT DECISION DATE  
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>OFFICE OF OPERATIONS</b>				
Controls and Accountability Over Office Supplies #23099-4-HY*	11/6/92	0	0	The audit has seven recommendations of which two are complete. The Agency contracted for the development of an automated inventory system, but the contractor was unable to deliver the required system. A change in the management decision is delaying final action.
Centralized Excess Property Operations #23099-5-HY*	4/10/93	0	0	The audit has 15 recommendations of which 12 are complete. An on-line automated control system for acquisition and sale of rehabilitated furniture is operational. Centralized Excess Property Operations (CEPO) began inputting data into the Property Management Information System\Property at OCFO/NFC in coordination with the Departmental Excess Personal Property Coordinator. CEPO will be testing this process for 30 days before beginning full implementation.
<b>OO Subtotal</b>		<b>0</b>	<b>0</b>	.



# FOOD SAFETY AND INSPECTION SERVICE



**AGENCY AUDITS WITHOUT FINAL ACTION  
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(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>FOOD SAFETY AND INSPECTION SERVICE</b>				
Exporting Procedures #24097-1-AT*	2/5/87	0	0	The audit has one recommendation which remains open. Final action is delayed due to the Agency plans to replace all poultry Acceptable Quality Level Program (AQL) standards with Finished Products Standards (FPS) as part of the Secretary's Poultry Enhancement Program Proposal. The Agency reevaluated its position on the issue of FPS in light of the recent rulemaking on Pathogen Reduction and Hazard Analysis and Critical Control Point (HACCP) Rule. The Agency is now in the process of revising FPS which will include replacing AQL. The first major change to the FPS was removing feces from the FPS. This is the only aspect of the Poultry Enhancement Docket that became final.
Labeling Policies and Approvals #24099-5-AT*	6/26/90	0	0	The audit has 18 recommendations of which 16 are complete. Health claims were to be published during December 1996; however, this docket is being evaluated to ascertain if these are differences between Food and Drug Administration and FSIS regarding health claims.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Meat and Poultry Inspections-Quality Control Programs #24600-1-CH*	11/18/93	0	0	The audit has nine recommendations of which seven are complete. Final action is delayed because the activities related to implementation of HACCP are still being refined.
Adequacy of Control to Ensure Microbiological Safety #24600-3-AT*	2/28/94	0	0	The audit has three recommendations of which one is complete. Final action is delayed due to the pending publication of Directive on Microbiological Monitoring Programs, 10,240.1 Revision 2. Final revisions on the Directive are nearing completion.
<b>FSIS Subtotal</b>		<b>0</b>	<b>0</b>	



# FOOD AND CONSUMER SERVICE



**AGENCY AUDITS WITHOUT FINAL ACTION  
1 YEAR FROM THE MANAGEMENT DECISION DATE  
(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>FOOD AND CONSUMER SERVICE</b>				
Computer Match of Federal Employees #27006-1-TE*	3/19/91	0	0	The audit has two recommendations of which both remain open. Final action is contingent upon the Agency completing additional steps in a Federal Employee matching project.
Implementation of the Income Eligibility Verification System #27013-45-TE*	3/30/90	0	0	The audit has five recommendations of which all remain open. Final action is contingent upon the Agency's alternative corrective action, in view of recent legislative changes.
Food Stamp Program Casefile Documentation in New York City #27016-5-HY*	3/10/95	0	0	The audit has 11 recommendations of which all remain open. FCS suspended administrative funds on August 9, 1996, due to the State's delays in implementing corrective action. Final action is expected in January 1998.
Virgin Islands Department of Education, National School Lunch Program #27022-49-HY*	11/23/92	857,802 (214,451)	83,179 (0)	The audit has 25 recommendations of which 21 are complete. All administrative and corrective actions are complete and a repayment schedule has been established. Final action is contingent upon final payment scheduled for July 15, 1997.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
National School Lunch Program - Fannindel Independent School District #27023-255-TE*	12/30/93	180,106 (96,154)	0	The audit has 16 recommendations of which 10 are complete. All administrative and corrective actions are complete and a repayment schedule has been established. Final action is contingent upon final payment scheduled for May 31, 1999.
Child Nutrition Program Operations, Wewoka Public Schools #27023-256-TE*	12/14/94	522,354 (0)	0	The audit has 21 recommendations of which three are complete. All administrative and corrective actions are complete and a repayment schedule has been established. Final action is contingent upon verification of the source of payment.
Georgia Department of Human Resources, Special Supplemental Food Program for Women, Infants and Children, Administrative Costs #27031-26-AT*	1/19/95	187,825 (187,825)	0	The audit has 12 recommendations of which all remain open. Final action is contingent upon the implementation of an approved cost allocation plan and the implementation of a system for reporting unliquidated obligations. The State Agency (SA) expects to implement both by July 1, 1997.
Debt Management Initiatives #27070-1-AT*	2/5/91	0	0	The audit has 15 recommendations of which 12 are complete. Final action is contingent upon the Agency's promulgation of final food stamp recipient claims regulations, and providing guidance to SA for assessing the probability of collecting aged accounts.
FCS Fiscal Year 1991 Financial Statements #27070-2-HY*	8/10/92	0	0	The audit has seven recommendations of which five are complete. Final action is contingent upon development of the Agency's recipient claims plan.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Issues Identified During Audit of FNS' Fiscal Year 1992 Financial Statements Requiring Management Action #27070-6-HY*	2/28/94	0	154,555,957 (154,555,957)	The audit has nine recommendations of which seven are complete. Final action is dependent upon the publication of regulations that will identify timeframes for establishing food stamp recipient claims, and require States to maintain an accounting system to monitor the status of undeveloped claims.
Management Issues Identified During FCS' Fiscal Year 1993 Financial Statements #27070-9-HY*	10/26/94	0	0	The audit has ten recommendations of which seven are complete. Final action is pending the promulgation of food stamp recipient claims regulations.
Nutrition Assistance Program Block Grant, Puerto Rico #27080-3-NY*	7/31/87	298,370 (160,000)	0	The audit has five recommendations of which four are complete. Final action is contingent upon the collection of disallowed costs.
Security and Control Over Non-Federal ADP Systems #27099-2-FM	9/25/95	0	0	The audit has 14 recommendations of which all remain open. Final action is contingent upon verification of completion by the Regional Office.
FCS' Financial Statement for FY 1994 #27401-1-HY	7/10/95	0	0	The audit has 20 recommendations of which eight are complete. Final action is contingent upon the results of OIG's validation of the Agency's Fiscal Year 1996 financial statements.



Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Day Care Homes - Nationwide #27600-6-AT	3/31/95	0	0	The audit has 15 recommendations of which five are complete. Final action is contingent upon publication of the final rule, which is intended to streamline the operation of the Program at the State and local levels, improve program integrity and strengthen oversight control.
Disqualification of Vendors from FCS Programs #27601-4-CH	9/12/95	0	0	The audit has five recommendations of which one is complete. Final action is contingent upon issuance of the Food Stamp Program and Special Supplemental Food Program for Women, Infants and Children proposed and final rules, and a policy memorandum regarding transfer of ownership and sale of store issues that is currently being developed with the Office of the General Counsel.
Special Supplemental Food Program for Women, Infants and Children, Vendor Monitoring and Food Instrument Delivery System #27661-2-CH*	6/15/88	0	0	The audit has 38 recommendations of which 15 are complete. Final action is contingent upon publication of proposed regulations.
Evaluation of Status of Electronic Benefits Transfer Developments #27801-1-HY*	5/30/95	0	0	The audit has one recommendation which remains open. Final action is contingent upon completion of an Electronic Benefit Transfer exception reporting system (anticipated being operational by the end of 1997).



Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
State of Maryland #50568-136-HY*	10/21/94	14,991,026* (5,996,410)*	0	The audit has seven recommendations of which six are complete. All administrative and corrective actions are complete and a repayment schedule has been established. Final action is contingent upon final payment scheduled for 1998.
<b>FCS Subtotal</b>		<b>17,037,483* (6,654,840)*</b>	<b>154,639,136 (154,555,957)</b>	

\*Note: This amount reflects a cost discovered by the agency for recovery.



# RURAL BUSINESS - COOPERATIVE SERVICE



**AGENCY AUDITS WITHOUT FINAL ACTION  
1 YEAR FROM THE MANAGEMENT DECISION DATE  
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Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>RURAL BUSINESS - COOPERATIVE SERVICE</b>				
Business and Industrial Loan Program, Restructuring Loan Processing and Servicing Activities #32600-2-SF*	2/27/95	0	0	The audit has five recommendations of which three are complete. Revision of the Business and Industrial regulation is delaying final action.
<b>RBS Subtotal</b>		0	0	





# ANIMAL AND PLANT HEALTH INSPECTION SERVICE



**AGENCY AUDITS WITHOUT FINAL ACTION  
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(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>ANIMAL AND PLANT HEALTH INSPECTION SERVICE</b>				
Mexico/United States Screwworm Eradication Program #33001-3-HY*	8/21/91	117,359 (0)	0	The audit has 30 recommendations of which 24 are complete. Final action is delayed due to a lack of funds to determine historical costs of donated assets to incorporate adjustments into financial statements, and to inventory Screwworm Commission property. In addition, there are denials of reimbursement being due to the Agency for the prior years' added value tax payments.
Pest Exclusion Activities #33004-1-HY*	6/29/90	0	0	The audit has ten recommendations of which eight are complete. Final action is delayed due to review of its overtime system and directives.
Administrative Costs, 1989 Medfly Eradication Project, CA #33099-8-SF*	3/31/92	1,643,599 (1,643,599)	0	The audit has 19 recommendations of which 13 are complete. The Agency has been unable to recover unsupported helicopter ferrying costs, landing fees, insecticide applications, transportation of bait, employment of flag person, and an overpayment to a rental car firm. The inability to collect the disallowed costs is delaying final action.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Assessment of User Fees Washington, D.C. #33600-1-AT	12/6/94	0	1,386,582 (1,386,582)	The audit has five recommendations which remain open. Final action is delayed pending Department and OMB clearance of revised user fee rates, accounting for user fee collections to be maintained, procedures to comply with OMB Circular A-25 to be developed, and indirect cost rates to be updated.
Enforcement of the Animal Welfare Act Washington, D.C. #33600-1-CH	1/15/95	0	0	The audit has 18 recommendations of which six are complete. Final action is delayed due to revisions to the PL 89-544 provisions of the Animal Welfare Act (AWA); developing draft language to address AWA requirements, implementing policy, procedures and guidelines that address AWA and Institutional Animal Care requirements; revision of the Licensing Applicant Registration Information System; establishing a schedule which cites penalties to be assessed each type of direct and indirect violations; final clearance of Final Rule about Health Certificate and Animal Identification; and the development of a risk-based inspection system.
Puerto Rico Department of Agriculture, A-128, FY Ended June 30, 1992 #50018-1-HY	10/25/95	164,990 (164,990)	0	The audit has five recommendations of which four are complete. Final action is delayed until the Puerto Rico Department of Agriculture implements a ledger system which will enhance and improve their accounting controls.
<b>APHIS Subtotal</b>		<b>1,925,948 (1,808,589)</b>	<b>1,386,582 (1,386,582)</b>	

OFFICE OF THE CHIEF INFORMATION OFFICER



**AGENCY AUDITS WITHOUT FINAL ACTION  
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Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>OFFICE OF THE CHIEF INFORMATION OFFICER</b>				
National Computer Center General Controls Review FY 1995 #58009-1-FM	2/26/96	0	0	The audit has 11 recommendations which remain open. Final action is delayed pending receipt of corrective action documentation from the National Information Technology Center (NITC).
Management and Security Over Local Area Network #58099-21-FM*	9/23/91	0	0	The audit has 29 recommendations of which 26 are complete. USDA managers responsible for supervising use of the LAN met with a representative of OIG to discuss the resistance of all agencies to participate in examining alternative ways to allocate costs based on LAN services they received. LAN managers are currently looking at additional ways to resolve the findings.
General Controls at the National Computer Center #58600-2-FM*	3/29/95	0	0	The audit has 17 recommendations of which 10 are complete. Final action is delayed pending receipt of corrective action documentation from NITC.
<b>OCIO Subtotal</b>		<b>0</b>	<b>0</b>	





# POLICY ANALYSIS AND COORDINATION CENTER



**AGENCY AUDITS WITHOUT FINAL ACTION  
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(DOLLARS)**

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
<b>POLICY ANALYSIS AND COORDINATION CENTER</b>				
Verification of Data Input Into OCFO/NFC Payroll/Personnel System #11099-1-FM	2/2/96	0	0	The audit has three recommendations which remain open. The Information Management and Network Support Services Division of Departmental Administration Management Services is currently working on a number of proposals which will control and monitor access to the many varied OCFO/NFC systems, e.g., agency directors serve as security control officers, granting approval for staff access to systems; offices with responsibility or specific systems, designate a point of contact to review Directors approvals to determine if the level of access requested is necessary; and development of a password protection system. The Human Resources Services Division (HRSD) hopes to consolidate the recommendations for operational improvements from the OIG and the final report based on the Office of Personnel Management review of HRSD. HRSD will review their operating procedures to assure that they address the issues raised.

Report Title	Date Issued	Disallowed Costs Total (Remaining)	Funds To Be Put To Better Use Total (Remaining)	Reason Final Action Incomplete
Review of the National Finance Center Automated Time and Attendance System #11099-37-FM*	9/30/94	0	0	The audit has one recommendation which remains open. A total review and reinvention of the T&A process is underway, as part of the Modernization of Administrative Processes initiative. The incorporation of post-audit reports on T&A submissions along with other improvements is delaying final action. Implementation is estimated in December 1997.
Unemployment Compensation Program #50099-43-AT*	9/30/94	0	0	The audit has two recommendations of which one is complete. The Unemployment Compensation for Federal Civilian Employees contract is pending ARS's and FSA's agreement to participate.
USDA - Federal Employee's Compensation Act #50600-7-AT*	3/31/93	1,050,580 (0)	135,006,343 (0)	The audit has 11 recommendations of which one is complete. The completion of corrective action delayed final action beyond 1 year of the management decision. Final action has been achieved on this audit.
<b>PACC Subtotal</b>		<b>123,693,419 (0)</b>	<b>135,006,343 (0)</b>	
<b>TOTAL</b>		<b>123,490,649<sup>1</sup> (55,831,304)</b>	<b>1,085,381,032 (381,894,449)</b>	

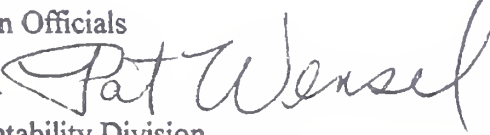
<sup>1</sup>This amount is increased by \$15,193,796 that the agency determined should be recovered.



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE CHIEF FINANCIAL OFFICER  
WASHINGTON, D.C. 20250

JUL 16 1997

TO: Agency Audit Liaison Officials

FROM: Pat Wensel, Director   
Planning and Accountability Division

SUBJECT: Secretary's Management Report Required by P.L. 100-504

Attached are copies of the Secretary's Management Report to Congress for distribution within your agency. The report covers the 6-month period ending March 31, 1997.

Attachment

cc: NAL, Serial Records







